



Our Mission is Your Success

**Statement of the Michigan Restaurant Association
In support of Senate Bill 5 (S-3)**

**Andy Deloney
Vice President, Public Affairs**

**Senate Regulatory Reform Committee
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I appear before you today on behalf of the members of the Michigan Restaurant Association to urge your support for Senate Bill 5 (S-3), as passed by the Senate. The bill, sponsored by Sen. John Pappageorge, creates a narrowly defined catering permit for holders of class C liquor licenses that enables the permit holder to sell and deliver beer, wine and spirits to the host of a private event where the permit holder is also providing service of the alcohol. Under existing law, it is illegal for a class C-licensed restaurant to take beer, wine and spirits off of the licensed premises for a catered event or for any other reason, even though they are licensed to sell and serve alcohol.

Many small and independent liquor licensees rely on off-site catering to supplement their businesses, and many have made it a significant part of their business practices. To them, and to their customers, it makes no sense that, in Michigan law, a small, independent restaurant, that is licensed by the state of Michigan to sell and serve alcoholic beverages, cannot provide the alcoholic beverages at off-site catered events.

In practical terms, SB 5 (S-2) is a common-sense, pro-consumer, easy one-stop-shopping bill that allows those who want to host a catered event a choice. They can either continue to go to their local retailer, or they can choose to go with a local restaurant who is allowed to participate in off-site catering under this permit.

As I indicated a moment ago, the bill allows the permit holder to sell and deliver beer, wine and spirits in the original sealed containers to the host of a catered event where the permit holder is also serving the alcohol at the event. Since the bill requires the permit holder to serve the alcohol at the catered event, it prevents the permit holder from simply selling packaged beer, wine and liquor like a party store or grocery store. Similarly, they

would not be allowed to simply drop off the food and the alcohol, or simply allow the host to come pick it up. The permit holder would have to serve the alcohol to the guests at the event. To be clear, the bill does not issue any more retail off-premises liquor licenses, any more than last year's Sunday morning sales permit legislation created any new licenses. Both pieces of legislation simply create permits to complement an already existing license.

SB 5 (S-3) expressly specifies that the alcohol sold to the event host must be in original sealed containers, and distilled spirits must be sold to the host at no less than the minimum retail price set by the Michigan Liquor Control Commission.

Since establishments licensed by the state of Michigan are providing the alcohol for these off-site catered events, all the alcohol sold for the event is obtained through the three-tier system of alcohol distribution. And because the permitted establishment is also licensed by the state, their management personnel must be trained and certified in a state-approved course on responsible and legal alcohol beverage service.

Also in the bill is clear language stating that all laws of this state are in force, regardless of where the event is located. Licensees may not serve to those under the age of 21. Licensees may not serve those who are visibly intoxicated. Licensees must have personnel, certified by the state in the legal and safe service of alcoholic beverages, on duty at all times when alcohol is being served. Any violations of the law will result in sanctions against the licensee.

SB 5 (S-3) is supported by a wide range of industry groups, including both on-premises and off-premises licensee groups. We are pleased that the bill has earned the support of the Michigan Licensed Beverage Association, the Michigan Grocers Association, the Michigan Food and Beverage Association, and the Associated Food and Petroleum Dealers of Michigan.

We are also pleased that the Michigan Beer and Wine Wholesalers Association has thoroughly examined this legislation and have participated in extensive conversations to make sure that the bill contains no legal or constitutional problems for the state, or challenges to the three-tier system of alcohol distribution. They do not oppose this legislation, and we are grateful for their contributions to the development of this legislation.

In closing, I would again urge your support for SB 5 (S-3), as passed by the Senate. Thank you for your consideration.